

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7600**

**BILL NUMBER: HB 1610**

**DATE PREPARED:** Jan 10, 2001

**BILL AMENDED:**

**SUBJECT:** Low performing schools.

**FISCAL ANALYST:** Chuck Mayfield

**PHONE NUMBER:** 232-4825

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		6,250,000	12,500,000
Net Increase (Decrease)		(6,250,000)	(12,500,000)

LOCAL IMPACT	CY 2001	CY 2002	CY 2003
Local Revenues		12,500,000	12,500,000
Local Expenditures			
Net Increase (Decrease)		12,500,000	12,500,000

**Summary of Legislation:** This bill requires each school that has at least 40% of its students who are tested under ISTEP+ scoring below the academic standards in both mathematics and English/language arts to provide those students with: (1) 20 additional instructional days or its equivalent in instructional hours; and (2) enrollment in mathematics and English/language arts classrooms with pupil to teacher ratios that do not exceed 12 to one. It provides that each school corporation is entitled to a reimbursement from the Department of Education for all of the costs attributable to providing additional instructional resources. The bill appropriates the amount necessary to make reimbursement distributions to the Department of Education.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** Based on the fall 1999 ISTEP test results, three schools would be

affected by the bill. Indianapolis Public Schools, Gary Community Schools, and School City of East Chicago had more than 40% of their students fail both the mathematics and English/language portions of the ISTEP test. Approximately 7,663 students would receive additional instructional assistance. Based on current average student teacher ratios and average teachers' salary, the bill is estimated to cost about \$12.5 M annually. There are five schools that had between 35% and 39% of their students, 5,870 students, fail both portions of the ISTEP test. The costs would increase if the five schools' failure rates increased so they qualified for funding. The state fiscal impact is  $\frac{1}{2}$  of the annual costs since the programs would take some time to start the programs and apply for reimbursement.

The Department of Education and the State Board of Accounts could have additional costs associated with monitoring and auditing the cost of the additional resources. The additional cost is unknown but would have to pay with existing revenues.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** See State Expenditures.

**State Agencies Affected:** Department of Education, State Board of Accounts

**Local Agencies Affected:** Local Schools

**Information Sources:** Department of Education databases